

U.S. Officials Only

SECRET

CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

25X1A

COUNTRY Latin America/Canada/Caribbean

SUBJECT Population/Trade/Industrial Development

PLACE ACQUIRED
(BY SOURCE) ---

25X1A

DATE ACQUIRED
(BY SOURCE) [REDACTED]

DATE (OF INFO.) 16 Nov 53 and earlier

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF TITLE 18, SECTIONS 793 AND 794 OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVELATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. THE REPRODUCTION OF THIS REPORT IS PROHIBITED.

25X1X THIS IS UNEVALUATED INFORMATION

SOURCE [REDACTED]

1. Latin America is in the middle of a "population explosion", according to a recent report by a private U. S. population research organization. The present population of Latin America, including the Caribbean, is about 173 million, or just about equal to that of the U. S. and Canada combined. However, the growth rate of Latin American population is about 2 1/2 times that of the rest of the world. On the basis of present growth rates, there will be about 550 million people in Latin America by the year 2,000, compared to only 250 million in the U. S. and Canada combined.
2. The Trinidad Petroleum Department's recently-issued report on 1952 operations discloses that Trinidad's petroleum production is being maintained only at the price of intensive effort and in the face of mounting costs. Output for the year averaged 58,100 b/d, or about 2% higher than in 1951. Production still remains below the 1940 peak of 60,100 b/d, however, and is only kept at its present level by means of extensive drilling which offsets the declining yield per well. Annual footage drilled rises continually and last year, with an average of 28 rigs in operation, totalled 737,000 ft., nearly 11% more than in 1951. Output per well averaged 24.1 b/d, a 4% decline from the previous year, and a 41% decline from the 1940 level of 41 b/d. Furthermore, half the oil is now produced by artificial lift as against only about a third in 1940; and the percentage of salt water, now 17.2, in the fluid extracted also rises annually. Since it is thought unlikely that any substantial reserves will be discovered at shallow depths, the industry has been engaged in an extensive deep-drilling campaign. The peculiar difficulties of Trinidad's geology, however, make such drilling exceptionally hazardous and expensive. In view of this, increasing interest is being shown in offshore drilling, and the territorial waters, including the Gulf of Paria, are now the scene of intensive exploration by U. S. and British companies.
3. The International Monetary Fund has agreed to lend Brazil \$10 million for liquidating part of the republic's trade backlog with Britain. This brings Brazil's debit balance with the Fund to \$65.5 million. The directors of the Fund made it clear that the loan does not imply endorsement of Brazil's new exchange control system but only

U.S. Officials Only

SECRET

| | | | | | | | | | | | | | | |
|--------------|-------|---|------|---|------|---|-----|---|-----|--|------|---|--|--|
| DISTRIBUTION | STATE | X | ARMY | X | NAVY | X | AIR | X | FBI | | MBPC | X | | |
|--------------|-------|---|------|---|------|---|-----|---|-----|--|------|---|--|--|

This report is for the use within the USA of the Intelligence components of the Departments or Agencies indicated above. It is not to be transmitted overseas without the concurrence of the originating office through the Assistant Director of the Office of Collection and Dissemination, CIA.

25X1A

SECRET/US OFFICIALS ONLY

-2-

that they felt more harm would be done by refusing the loan than by granting it. According to a recently-concluded U. K.-Brazil agreement, Brazil can pay only \$15 million a year for oil purchases from British companies until her debt backlog is cleared up. If purchases exceed this limit, payment will be made in other currencies acceptable to the companies.

4. The Brazilian Government petroleum agency has awarded the Foster-Wheeler Corporation a 5-year contract which may involve a \$50 million expenditure on shale oil extraction facilities. The contract has three phases -- economic studies, a pilot plant, and a refinery with an initial throughput capacity of 40,000 tons of shale daily -- and each phase is contingent on favorable experience in the preceding phase. The refinery, if built, will have an output capacity of 10,000 b/d and will be located in Tremembe in São Paulo State. It will utilize the pyrobituminous shale in the Taubete-Tremembe district. The petroleum content of this shale deposit is currently estimated at 3 billion barrels.
5. Crude oil production in Ecuador by Anglo-Ecuadorian Oilfields, Ltd. reached a record high of 5,970 b/d in the year ending March 31, 1953. Company spokesmen point out that this is a 507 b/d increase over the previous year's output and that it reflects increased shallow well production. Deep well production declined by about 150 b/d during the year. Efforts to find a new deep pool in Ecuador continue to be unsuccessful.
6. The position of U. S. firms in Guatemala is becoming increasingly precarious. Some 4,000 United Fruit Co. employees have taken their demands for a 10-20% wage rise to court. The firm, in turn, has asked the court to authorize a temporary suspension of operations, claiming that it cannot now meet additional wage costs following recent losses from storm damage and plant disease. Meanwhile, the Court of Appeals has ruled that the U. S. -owned electric power company must raise to \$75 the wages of employees making less than \$50 a month, and must grant a 20% increase to other workers. No further appeal is left to the company under Guatemalan law.
7. The Cuban Agricultural and Industrial Development Bank has announced a \$275,000 loan to Refinería Cabaiguán for oil drilling in the Jarahueca district. This company recently bought a deep-drilling rig from the National Development Commission with the bank's guarantee. The Bank retains title to the \$750,000 rig until it is paid for out of 15% of the annual profits from production.
8. The Cuban National Development Commission has spent over \$80 million for public works during the past 2 years including the construction of almost 1,000 miles of secondary and farm-to-market roads. Today the republic has a road system which includes a 700-mile Central Highway extending the length of the island and some 4,500 miles of secondary roads. However, it is estimated that the republic still needs more than 62,500 miles of farm-to-market roads.
9. The Venezuelan National Iron Syndicate has commissioned the Norwegian firm Elcorokemist to ascertain the feasibility of using indigenous Venezuelan fuels for reducing Venezuelan ores. The tests are being carried out in a special pilot furnace in Norway. The materials being used are: 30 tons of iron ore from El Pao, 30 tons of ore from Cerro Bolívar, 10 tons each of Maricual and Cachiri (Zulia region) coal, 10 tons of coke, and 10 tons of coconut shells for vegetable charcoal.
10. A new 8,000 b/d catalytic cracking plant is planned at St. Boniface, Manitoba by North Star Oil, Ltd. It will replace the North Star's present 4,000 b/d refinery and will be financed by a public offering of a \$5 million debenture issue.
11. Canada's airlines carried more passengers, goods, and mail in 1952 than in any previous year, but high operating costs cut their operating income almost in half to \$3,763,948 from the 1951 high of \$6,990,586. The smaller 1952 surplus, however, was in sharp contrast to deficits in the eight years previous to 1951.

| | | | | |
|-------|---------|--------|---------|--------|
| -end- | 811 | 7 | 4/735.5 | 2J |
| | 4/735.5 | 234E | 740.094 | V(GE) |
| | 622.021 | 234E | 740.093 | 35E(V) |
| | 771.41 | 34(CA) | 754.21 | 12E |
| | 8/735.5 | 34 | 735.54 | 24A |
| | | | 757.74 | A |

SECRET/US OFFICIALS ONLY